

**UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
FOURTH REGION**

DUBIN PAPER COMPANY

and

Case 04-CA-079713

WAREHOUSE EMPLOYEES LOCAL
169 a/w INTERNATIONAL
BROTHERHOOD OF TEAMSTERS

**RESPONSE OF FRANK HOCKMAN AND FRANK DUBIN TO COUNSEL FOR THE
ACTING GENERAL COUNSEL'S MOTION FOR DEFAULT JUDGMENT AND
NOTICE TO SHOW CAUSE**

The above-captioned action (the "Action") was commenced by Warehouse Employees Union Local 169 ("Local 169") on April 26, 2012 by way of Complaint against Dubin Paper Company ("Company"). On June 29, 2012, an Amended Complaint was filed against the Company. On July 23, 2012, a Second Amended Complaint was filed against the Company and Frank Hockman and Frank Dubin ("Respondents"). On September 17, 2012, a Motion for Default Judgment was filed, and on September 18, 2012, a Notice to Show Cause was entered. Respondents Frank Hockman and Frank Dubin hereby file this response to the Motion for Default Judgment and Notice to Show Cause.

On June 15, 2012, an Involuntary Petition under Chapter 7 of Title 11 of the United States Code was filed against Dubin Paper Company in the United States Bankruptcy Court for the Eastern District of Pennsylvania, case number 12-15826. On July 17, 2012, an Order for Relief was entered, and on July 27, 2012, a Chapter 7 Trustee was appointed. A Notice of Bankruptcy Filing is attached hereto as Exhibit A.

As a result of the bankruptcy filing, the automatic stay provision of 11 U.S.C. § 362(a) is in effect. §362(a) provides:

(a) Except as provided in subsection (b) of this section, a petition filed under section 301, 302, or 303 of this title . . . operates as a stay, applicable to all entities, of—

(1) the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title[.]

A bankruptcy filed under Chapter 7, entitled Liquidation, contemplates an orderly, court-supervised procedure by which a trustee takes over the assets of the debtor's estate, reduces them to cash, and makes distributions to creditors, subject to the debtor's right to retain certain exempt property and the rights of secured creditors. Upon the filing of the Chapter 7 petition against the Company, Respondents no longer retained any control of the assets of the Company's estate. As such, to proceed with this Action against the Company, the claim which is subject of the Complaint should be adjudicated through the bankruptcy process or with relief granted by the Bankruptcy Court.

With respect to the Action as it relates to Respondents, Respondents were not named parties until the Second Amended Complaint was filed. Notwithstanding, the Second Amended Complaint makes no specific allegations that speak to acts of Respondents individually that would render them liable. To the extent there are any such allegations, Respondents would be prepared to respond to those allegations upon receipt of a complaint setting forth same. In fact, this office has sent correspondence to Peter C. Verrochi, Dorothy L. Moore-Duncan and Brian J.

Reice setting forth the positions of the Company and Respondents in response to the Charge, the

his defense that it's insured has been acknowledged in our litigation deferred insolvency no answer to request to provide requested information which is readily available to Brian and Hochman

NEBTS stayed - must go ahead through bankruptcy

- no specific allegations against individual respondents as respondents. worry they will regularly, informal consult to go to information


no complaint. worry they have the complaint now on the books and Brian. in addition, persons available counsel to provide requested info - provide info now - further SLD and post-out of case

Amended Charge, and the Second Amended Charge. The various correspondence are attached hereto collectively as Exhibit B. Respondents' position has remain unchanged.

WHEREFORE, Frank Hockman and Frank Dubin respectfully request that this Honorable Court deny the relief requested in the Motion for Default Judgment, and any other relief deemed just and proper.

Date: September 26, 2012

CIARDI CIARDI & ASTIN



Albert A. Ciardi, III, Esquire
Holly E. Smith, Esquire
One Commerce Square
2005 Market Street, Suite 1930
Philadelphia, PA 19103

**UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
FOURTH REGION**

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WAREHOUSE EMPLOYEES LOCAL
169 a/w INTERNATIONAL
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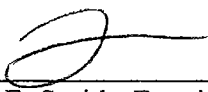
**AFFIDAVIT OF SERVICE OF: RESPONSE OF FRANK HOCKMAN AND FRANK
DUBIN TO COUNSEL FOR THE ACTING GENERAL COUNSEL'S MOTION
FOR DEFAULT JUDGMENT AND NOTICE TO SHOW CAUSE**

I, Holly E. Smith, Esquire, state under oath that on September 26, 2012, I served the above-entitled document(s) by post-paid regular mail upon the following persons, addressed to them at the following addresses:

Henry R. Protas, Esquire
Counsel for the Acting General Counsel
National Labor Relations Board
Fourth Region
615 Chestnut St, FL 7
Philadelphia, PA 19106

Warehouse Employees Union Local 169
1363 W. Cheltenham Avenue 4c.
Elkins Park, PA 19027

Michael Katz, Esquire
121 S. Broad Street
North American Building, 13th Floor
Philadelphia, PA 19107



Holly E. Smith, Esquire

*Counsel to Frank Dubin and Frank
Hockman*

United States Bankruptcy Court
Eastern District of Pennsylvania

**Notice of Involuntary Bankruptcy Case
Filing**

An involuntary bankruptcy case concerning the debtor(s) listed below was filed under Chapter 7 of the United States Bankruptcy Code, entered on 06/15/2012 at 2:32 PM and filed on 06/15/2012.

Dubin Paper Co.

1910 S. Columbus Blvd.
Philadelphia, PA 19148
Tax ID / EIN: 23-0537400



The case was filed by the following petitioning creditor(s):

The
bankruptcy
trustee is:

**Georgia-Pacific LLC on behalf of its wholly-owned subsidiaries
Georgia-Pacific Consumer Products LP, Dixie Consumer Products,
LLC and G-P Receivables, Inc.**

133 Peachtree Street
Atlanta, GA 30303

**JEFFREY
R.
WAXMAN**
Morris James
LLP
500 Delaware
Avenue, Suite
1500
P.O. Box
2306
Wilmington,
DE 19899-
2306
(302) 888-
5842

The Clorox Sales Company

3655 Brookside Pkwy
Suite 300
Alpharetta, GA 30022

AEP Industries Inc.
125 Phillips Avenue
S. Hackensack, NJ 07606

**GARY F
SEITZ**
Rawle &
Henderson
LLP
The Widener
Building
One South
Penn Square
17th Floor
Philadelphia,
PA 19107
215-575-
4200

The case was assigned case number 12-15826-sr to Judge Stephen Raskovich.

If you would like to view the bankruptcy petition and other documents filed by the petitioning creditor(s) and the debtor, they are available at our *Internet* home page <http://ecf.paeb.uscourts.gov> or at the Clerk's Office, 900 Market Street, Suite 400, Philadelphia, PA 19107.

You may be a creditor of the debtor. If so, you will receive an additional notice from the court setting forth important deadlines.

Timothy B McGrath
Clerk, U.S. Bankruptcy
Court

PACER Service Center			
Transaction Receipt			
09/25/2012 14:49:27			
PACER Login:	cc4289	Client Code:	6236-001-hs
Description:	Notice of Filing	Search Criteria:	12-15826-sr
Billable Pages:	1	Cost:	0.10

CIARDI CIARDI & ASTIN

JENNIFER C. MCENTEE, ESQUIRE
JC.MCENTEE@CIARDILAW.COM

One Commerce Square
2005 Market Street, Suite 1930
Philadelphia, Pa 19103
Phone: 215-557-3550
Fax: 215-557-3551

May 23, 2012

Via Hand Delivery and Electronic Mail

Peter C. Verrochi, Esquire
United States Government
National Labor Relations Board Region 4
615 Chestnut St., Suite 710
Philadelphia, PA 19106-2820

**Re: Dubin Paper Company
Case 04-CA-079713**

Dear Mr. Verrochi:

Please accept this correspondence as Dubin Paper Company's ("Dubin") response to the Charge Against Employer (the "Charge") filed by the Warehouse Employees Union Local 169 (the "Union") on April 26, 2012 as well as a follow-up to our telephone conversation on May 9, 2012 and your emails detailing the facts underlying the Charge dated May 10, 2012 and May 11, 2012. Please note that it remains Dubin's position that the substance of the Charge is not a "mandatory subject of bargaining" issue at all but rather a business decision to close the doors of an insolvent company. Thus, this correspondence will address the financial issues strangling Dubin and provide context for its decision to close its doors.

First, Dubin disputes the Charge in its entirety as well as the merits of the Union's corresponding request for injunctive relief under Section 10(j) of the Act. While the Dubin closing may be seen as unfortunate and a sign of the ever-failing economy, it was, nonetheless, a business decision based upon the totality of the facts presented to owners, a complete lack of funding and was carried out efficiently upon the advice of counsel.

Specifically and to provide context for the Dubin business decision, Dubin was having significant and ongoing issues with its two (2) largest suppliers at the time it

<u>PHILADELPHIA</u>	<u>WILMINGTON</u>	<u>LEHIGH VALLEY</u>	<u>NEW JERSEY</u>	<u>DALLAS</u>	<u>NEW YORK</u>
One Commerce Square 2005 Market St., Ste. 1930 Philadelphia, PA 19103 Phone: (215) 557-3550 Fax: (215) 557-3551	919 Market St., Ste 700 Wilmington, DE 19801 Phone: (302) 658-1100 Fax: (302) 658-1300	2083 Quaker Pointe Dr. Quakertown, PA 18951	57 Euclid Street, Suite B Woodbury, NJ 08096 Phone: (856) 368-2001 Fax: (856) 368-2002	100 Crescent Court Suite 200 Dallas, Texas 75201 Phone: (214) 295-6416	100 Church Street 8th Floor New York, NY 10007 Phone: (646) 485-0605

decided to close. For instance, Dart Container, Dubin's largest supplier, had the company on a "cash-in-advance" term. Under normal conditions, Dubin received approximately 8 trucks a week from Dart Container and maintained approximately 10-12 days worth of inventory from Dart Container. At the time of the Dubin closing, cash flow had deteriorated to the point that Dubin had only a 3 day supply of Dart Inventory and had zero funds with which to pay Dart Container for the release of previously ordered trucks full of supplies. Because Dart products and the Dart inventory represented approximately 25% of the Dubin Sales at the time of the closing, Dubin submits this scenario is representative of the unfortunate position Dubin found itself in immediately prior to closing its doors.

Further, Kimberly Clark, Dubin's second largest supplier representing around 20% of sales, was owed approximately \$1,000,000 at the time Dubin closed its doors. Although Kimberly Clark had Dubin on "credit hold" terms and was also receiving a weekly payment on the \$1,000,000 debt, it refused to release a delivery without immediate payment for the specific inventory. Again, Dubin did not have the funds to pay Kimberly Clark for release of trucks carrying inventory, Dubin's inventory thus diminished, and therefore completely fulfilling customers' orders was impossible. Similarly, Dubin had the same credit and supply issues with most of its suppliers.

Next, although Dubin's Lender permitted its account to go negative for several months, Dubin was in covenant default. In December, 2011, the Lender required Frank Dubin and Frank Hockman to take personal mortgages on their homes and loan the money to the company. \$750,000.00 was then infused into the company in December 2011. At that point in time, the Lender expected Dubin to maintain a positive balance moving forward. When Dubin still failed to maintain a positive balance, the Lender extended a \$250,000.00 temporary overdraft line of credit to Dubin. At this time and despite several cash infusions, Dubin could not maintain a positive balance, continuously overdrew its accounts and bounced checks with the Lender and could not work through its debilitating cash flow issues.

Although the forgoing expenses and lender issues were significant factors in the Dubin closing, a perfect storm occurred on and around the week of Good Friday with the imminent strike by Local 107 and the salesmen's intent to abandon because of lack of inventory.

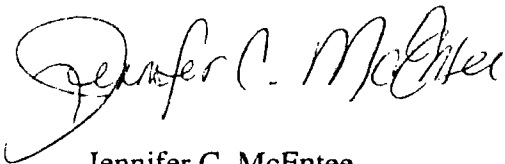
Attorneys for Dubin have spoken to representatives of the Lender along with both local Unions on many occasions about the state of the company and its cash flow issues as well as the significant losses suffered and high aging receivables with little hope of

collection. Upon information and belief, both local Unions are now well aware of the Lender's default of Dubin. Upon information and belief, both local Unions are now aware that the Lender required Frank Dubin and Frank Hockman to assist it in the orderly liquidation of Dubin Assets. Finally, neither Frank Hockman nor Frank Dubin are currently employed in the industry except as liquidators of the Dubin Assets.

As Dubin is no longer operating, does not have funds with which to pay its debts and does not have a hope of reopening, the Union's request for Injunctive relief appears slightly misguided and inappropriate. There is no operation to enjoin pursuant to Section 10(j) of the Act.

Finally, Frank Hockman is available to appear for an interview on May 29, 2012 between 10:00AM and 12:00PM or on May 30, 2012 between 2:00PM and 5:00PM. Also, enclosed please find a completed copy of the Questionnaire on Commerce Information related to the above-referenced matter.

Kindest regards,



Jennifer C. McEntee

JCM/dt

Enclosure

cc: Albert A. Ciardi, III, Esquire (via hand delivery)
Richard Wainstein, Esquire (w/enclosure, via hand delivery)
Michael Katz, Esquire (w/enclosure, via hand delivery)
Frank Hockman (via email fhockman@dubinpaper.com)

Revised 3/21/2011

NATIONAL LABOR RELATIONS BOARD

QUESTIONNAIRE ON COMMERCE INFORMATION

Please read carefully, answer all applicable items, and return to the NLRB Office. If additional space is required, please add a page and identify item number.

CASE NAME

Dubin Paper Company

CASE NUMBER

04-CA-079713

1. EXACT LEGAL TITLE OF ENTITY (As filed with State and/or stated in legal documents forming entity)

2. TYPE OF ENTITY

☐ CORPORATION ☐ LLC ☐ LLP ☐ PARTNERSHIP ☐ SOLE PROPRIETORSHIP ☐ OTHER (Specify)

3. IF A CORPORATION OR LLC

A. STATE OF INCORPORATION
OR FORMATION

B. NAME, ADDRESS, AND RELATIONSHIP (e.g. parent, subsidiary) OF ALL RELATED ENTITIES

4. IF AN LLC OR ANY TYPE OF PARTNERSHIP, FULL NAME AND ADDRESS OF ALL MEMBERS OR PARTNERS

5. IF A SOLE PROPRIETORSHIP, FULL NAME AND ADDRESS OF PROPRIETOR

6. BRIEFLY DESCRIBE THE NATURE OF YOUR OPERATIONS (Products handled or manufactured or nature of services performed)

7. A. PRINCIPAL LOCATION

B. BRANCH LOCATIONS

8. NUMBER OF PEOPLE PRESENTLY EMPLOYED

A. Total:

B. At the address involved in this matter.

9. DURING THE MOST RECENT (Check appropriate box): ☐ CALENDAR YR. ☐ 12 MONTHS or ☐ FISCAL YR. (FY dates)

YES NO

A. Did you provide services valued in excess of \$50,000 directly to customers outside your State? If no, indicate actual value.
\$B. If you answered no to 9A, did you provide services valued in excess of \$50,000 to customers in your State who purchased goods valued in excess of \$50,000 from directly outside your State? If no, indicate the value of any such services you provided.
\$

C. If you answered no to 9A and 9B, did you provide services valued in excess of \$50,000 to public utilities, transit systems, newspapers, health care institutions, broadcasting stations, commercial buildings, educational institutions, or retail concerns? If less than \$50,000, indicate amount. \$

D. Did you sell goods valued in excess of \$50,000 directly to customers located outside your State? If less than \$50,000, indicate amount. \$

E. If you answered no to 9D, did you sell goods valued in excess of \$50,000 directly to customers located inside your State who purchased other goods valued in excess of \$50,000 from directly outside your State? If less than \$50,000, indicate amount.
\$

F. Did you purchase and receive goods valued in excess of \$50,000 from directly outside your State? If less than \$50,000, indicate amount. \$

G. Did you purchase and receive goods valued in excess of \$50,000 from enterprises who received the goods directly from points outside your State? If less than \$50,000, indicate amount. \$

H. Gross Revenues from all sales or performance of services (Check the largest amount):

☐ \$100,000 ☐ \$250,000 ☐ \$500,000 ☐ \$1,000,000 or more If less than \$100,000, indicate amount.

I. Did you begin operations within the last 12 months? If yes, specify date: _____

10. ARE YOU A MEMBER OF AN ASSOCIATION OR OTHER EMPLOYER GROUP THAT ENGAGES IN COLLECTIVE BARGAINING?

☐ YES ☐ NO (If yes, name and address of association or group).

11. REPRESENTATIVE BEST QUALIFIED TO GIVE FURTHER INFORMATION ABOUT YOUR OPERATIONS:

NAME

TITLE

E-MAIL ADDRESS

TEL. NUMBER

12. AUTHORIZED REPRESENTATIVE COMPLETING THIS QUESTIONNAIRE

NAME AND TITLE (Type or Print)

SIGNATURE

E-MAIL ADDRESS

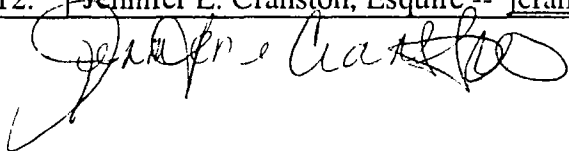
DATE

PRIVACY ACT STATEMENT

Solicitation of the information on this form is authorized by the National Labor Relations Act (NLRA), 29 U.S.C. § 151 et seq. The principal use of the information is to assist the National Labor Relations Board (NLRB) in processing representation and/or unfair labor practice proceedings and related proceedings or litigation. The routine uses for the information are fully set forth in the Federal Register, 71 Fed. Reg. 74942-43 (Dec. 13, 2006). The NLRB will further explain these uses upon request. Disclosure of this information to the NLRB is voluntary. However, failure to supply the information may cause the NLRB to refuse to process any further a representation or unfair labor practice case, or may cause the NLRB to issue you a subpoena and seek enforcement of the subpoena in federal court.

COMMERCE QUESTIONNAIRE RESPONSES

1.	Dubin Paper Company
2.	Corporation
3.	PA / Hygeia Paper Company
4.	---
5.	---
6.	Prior to April, 2012, bought and sold paper products
7.	1910 S. Columbus Blvd., Philadelphia, PA 19148
8.	(A) 0 (B) 0
9.	Calendar
	a. no
	b. \$0
	c. \$0
	d. Yes
	e. ----
	f. ----
	g. unknown
	h. \$1,000,000 or more
	i. no
10.	No
11.	Frank Hockman -- fhockman@dubinpaper.com 215-669-0358
12.	Jennifer E. Cranston, Esquire -- jcranston@ciardilaw.com 215-557-3550



May 23, 2012

CIARDI CIARDI & ASTIN

JENNIFER C. MCENTEE, ESQUIRE
JC.RANSFON@CIARDILAW.COM

One Commerce Square
2005 Market Street, Suite 1930
Philadelphia, Pa 19103
Phone: 215-557-3550
Fax: 215-557-3551

July 16, 2012

VIA OVERNIGHT MAIL

Peter C. Verrochi, Esquire
United States Government
National Labor Relations Board Region 4
615 Chestnut St., Suite 710
Philadelphia, PA 19106-2820

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Case 04-CA-079713**

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Wilmington, DE 19801
Phone: (302) 658-1100
Fax: (302) 658-1300

LEHIGH VALLEY
2083 Quaker Pointe Dr.
Quakertown, PA 18951

NEW JERSEY
57 Euclid Street, Suite B
Woodbury, NJ 08096
Phone: (856) 368-2001
Fax: (856) 368-2002

DALLAS
100 Crescent Court
Suite 200
Dallas, Texas 75201
Phone: (214) 295-6416

NEW YORK
100 Church Street
8th Floor
New York, NY 10007
Phone: (646) 485-0605

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Peter C. Verrochi, Esquire

July 16, 2012

Page 3 of 3

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Kindest regards,

Albert A. Ciardi, III

AACIII/amg
Enclosure

cc: Richard Wainstein, Esquire (w/enclosure, via hand delivery)
Michael Katz, Esquire (w/enclosure, via hand delivery)
Frank Hockman (via email fhockman@dubinpaper.com)

Alex Giuliano

From: trackingupdates@fedex.com
Sent: Tuesday, July 17, 2012 9:28 AM
To: Alex Giuliano
Subject: FedEx Shipment 793795465666 Delivered

This tracking update has been requested by:

Company Name: Ciardi Ciardi & Astin, P.C.
Name: Albert A. Ciardi, III, Esquire
E-mail: agiuliano@ciardilaw.com

Our records indicate that the following shipment has been delivered:

Reference: 6286-001
Ship (P/U) date: Jul 16, 2012
Delivery date: Jul 17, 2012 9:23 AM
Sign for by: J.JACKSON
Delivery location: PHILADELPHIA, PA
Delivered to: Receptionist/Front Desk
Service type: FedEx Standard Overnight
Packaging type: FedEx Envelope
Number of pieces: 1
Weight: 0.50 lb.
Special handling/Services: Deliver Weekday
Tracking number: [793795465666](#)

Shipper Information

Albert A. Ciardi, III, Esquire
Ciardi Ciardi & Astin, P.C.
2005 Market Street
One Commerce Square, Suite 1930
Philadelphia
PA
US
19103

Recipient Information

Peter C. Verrochi, Esquire
United States Government
615 Chestnut St., Ste 710
Nt'l Labor Relations Board Region
4
PHILADELPHIA
PA
US
19106

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Thank you for your business.

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Date/Time
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Local ID 2

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123456789

05:17:14 p.m.

Transmit Header Text
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Local Name 2

Clardi

This document : Confirmed
(reduced sample and details below)
Document size : 8.5"x11"

CIARDI CIARDI & ASTIN

ALBERT A. CIARDI, III, ESQUIRE
ACIARDI@CIARDIANDASTIN.COM

One Commerce Square
2015 Market Street, Suite 1910
Philadelphia, Pa 19103
Phone: 215-557-1550
Fax: 215-557-3551

FACSIMILE

To:	Michael Katz, Teamsters Local 169	Fax:	(215) 552-0071
From:	Albert A. Ciardi, III, Esquire	Date:	July 16, 2012
Re:	Dubin Paper Co	File No.	6286-001
CC:		Fax:	

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

NOTES:

PHILADELPHIA	WASHINGTON	NEW ALBANY	DALLAS	NEW YORK
One Commerce Square 2015 Market St., Sec. 1910 Philadelphia, PA 19103 Phone: (215) 557-3550 Fax: (215) 557-3551	910 Market St., Sec. 700 Washington, DC 20001 Phone: (202) 638-1100 Fax: (202) 638-1300	57 Euclid Street, Suite 15 Woodbury, NJ 08096 Phone: (856) 348-2001 Fax: (856) 348-2002	100 Crescent Court Suite 700 Dallas, Texas 75201 Phone: (214) 775-0415	100 Church Street 8th Floor New York, NY 10007 Phone: (401) 483-0605

Total Pages Scanned : 3

Total Pages Confirmed : 3

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	254	#6722155520071	05:14:53 p.m. 07-16-2012	00:01:32	3/3	1	EC	HS	CP14400

Abbreviations:

HS: Host send
HR: Host receive
WS: Waiting send

PL: Polled local
PR: Polled remote
MS: Mailbox save

MP: Mailbox print
CP: Completed
FA: Fail

TU: Terminated by user
TS: Terminated by system
RP: Report

G3: Group 3
EC: Error Correct

CIARDI CIARDI & ASTIN

ALBERT A. CIARDI, III, ESQUIRE
ACIARDI@CIARDILAW.COM

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Phone: 215-557-3550
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FACSIMILE

To:	Michael Katz, Teamsters Local 169	Fax:	(215) 552-0071
From:	Albert A. Ciardi, III, Esquire	Date:	July 16, 2012
Re:	Dubin Paper Co.	File No.	6286-001
CC:		Fax:	

☐ Urgent

☐ For Review

☐ Please Comment

☐ Please Reply

☐ Please Recycle

NOTES:

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PHILADELPHIA
One Commerce Square
2005 Market St., Ste. 1930
Philadelphia, PA 19103
Phone: (215) 557-3550
Fax: (215) 557-3551

WILMINGTON
919 Market St., Ste 700
Wilmington, DE 19801
Phone: (302) 658-1100
Fax: (302) 658-1300

NEW JERSEY
57 Euclid Street, Suite B
Woodbury, NJ 08096
Phone: (856) 368-2001
Fax: (856) 368-2002

DALLAS
100 Crescent Court
Suite 200
Dallas, Texas 75201
Phone: (214) 295-6416

NEW YORK
100 Church Street
8th Floor
New York, NY 10007
Phone: (646) 485-0605

CIARDI CIARDI & ASTIN

ALBERT A. CIARDI, III, ESQUIRE
ACIARDI@CCIARDI.LAW.COM

One Commerce Square
2005 Market Street, Suite 1930
Philadelphia, Pa 19103
Phone 215-557-3550
Fax: 215-557-3551

July 16, 2012

**VIA FIRST CLASS REGULAR MAIL
AND FACSIMILE**

Attn: Brian J. Reice, President
Warehouse Employees' Union Local 169
1363 W. Cheltenham Avenue
Elkins Park, PA
Philadelphia, PA 19154
Fax: 215.635.2441

RE: Dubin Paper

Dear Mr. Reice:

Please see below regarding the effects bargaining agreement between Local 169 and Dubin Paper:

1. This is an addendum to our existing contract and is meant to extend through the conclusion of the liquidation of the inventory of Dubin Paper.
2. \$25,000.00 to Local 169 employees for all, vacations, personal holidays, sick time. Payment shall be made to employees by the company, on a pro-rated basis to the extent necessary, upon execution of this agreement.
3. Local 169 employees shall be employed to perform all warehouse and other bargaining unit work performed at the facility during the liquidation of the inventory. Work is day to day, and days may be missed, liquidation may take a couple days or several weeks.
4. There is a 4-hour guarantee on days worked.
5. Days, hours and manpower to be determined on a daily basis. Employees shall be called in by the company based on seniority. If an employee on the seniority list does not respond, the next employee on the list will be called. If after exhausting the seniority list the requested amount of employees do not show, the company may then utilize

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57 Euclid Street, Suite B
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Brian J. Reice, President

July 16, 2012

Page 2

employees from other sources for that day only. Local 169 employees who report to work shall be paid all wages, pension and Health and Welfare contributions as required under the collective bargaining agreement.

6. Whenever Dubin Paper determines that Dubin Paper can no longer provide a value by selling inventory, this liquidation work will cease.

Please confirm.

Very truly yours,

CIARDI CIARDI & ASTIN



Albert A. Ciardi, III

AACIII/mg

Agreed by:

Brian J. Reice, President

Warehouse Employees' Union Local 169

CIARDI CIARDI & ASTIN

ALBERT A. CIARDI, III, ESQUIRE
ACIARDI@CCIARDILAW.COM

One Commerce Square
2005 Market Street, Suite 1930
Philadelphia, Pa 19103
Phone 215-557-3550
Fax 215-557-3551

July 26, 2012

Via Regular Mail

Dorothy L. Moore-Duncan (Regional Director)
United States Government
National Labor Relations Board Region 4
615 Chestnut St., Suite 710
Philadelphia, PA 19106-2820

**Re: Dubin Paper Company
Case 04-CA-079713**

Dear Ms. Moore-Duncan:

Please accept this correspondence as Dubin Paper Company's ("Dubin") response to the Second Amended Charge Against Employer (the "Charge") filed by the Warehouse Employees Union Local 169 (the "Union") on July 23, 2012. Please note that it remains Dubin's position that the substance of the Charge is not a "mandatory subject of bargaining" issue at all but rather a business decision to close the doors of an insolvent company. Thus, this correspondence will again address the financial issues strangling Dubin and provide context for its decision to close its doors.

First, Dubin was put into an Involuntary Chapter 7 Bankruptcy on June 15, 2012 (Case No. 12-15826) and therefore disputes the Charge in its entirety as well as the merits of the Union's corresponding request for injunctive relief under Section 10(j) of the Act. While the Dubin closing may be seen as unfortunate and a sign of the ever-failing economy, it was, nonetheless, a business decision based upon the totality of the facts presented to owners, a complete lack of funding and was carried out efficiently upon the advice of counsel.

Specifically and to provide context for the Dubin business decision, Dubin was having significant and ongoing issues with its two (2) largest suppliers at the time it

PHILADELPHIA One Commerce Square 2005 Market St., Ste. 1930 Philadelphia, PA 19103 Phone: (215) 557-3550 Fax: (215) 557-3551	WILMINGTON 919 Market St., Ste 700 Wilmington, DE 19801 Phone: (302) 658-1100 Fax: (302) 658-1300	LEHIGH VALLEY 2083 Quaker Pointe Dr. Quakertown, PA 18951	NEW JERSEY 57 Euclid Street, Suite B Woodbury, NJ 08096 Phone: (856) 368-2001 Fax: (856) 368-2002	DALLAS 100 Crescent Court Suite 200 Dallas, Texas 75201 Phone: (214) 295-6416	NEW YORK 100 Church Street 8th Floor New York, NY 10007 Phone: (646) 485-0605
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decided to close. For instance, Dart Container, Dubin's largest supplier, had the company on a "cash-in-advance" term. Under normal conditions, Dubin received approximately 8 trucks a week from Dart Container and maintained approximately 10-12 days worth of inventory from Dart Container. At the time of the Dubin closing, cash flow had deteriorated to the point that Dubin had only a 3 day supply of Dart Inventory and had zero funds with which to pay Dart Container for the release of previously ordered trucks full of supplies. Because Dart products and the Dart inventory represented approximately 25% of the Dubin Sales at the time of the closing, Dubin submits this scenario is representative of the unfortunate position Dubin found itself in immediately prior to closing its doors.

Further, Kimberly Clark, Dubin's second largest supplier representing around 20% of sales, was owed approximately \$1,000,000 at the time Dubin closed its doors. Although Kimberly Clark had Dubin on "credit hold" terms and was also receiving a weekly payment on the \$1,000,000 debt, it refused to release a delivery without immediate payment for the specific inventory. Again, Dubin did not have the funds to pay Kimberly Clark for release of trucks carrying inventory, Dubin's inventory thus diminished, and therefore completely fulfilling customers' orders was impossible. Similarly, Dubin had the same credit and supply issues with most of its suppliers.

Next, although Dubin's Lender permitted its account to go negative for several months, Dubin was in covenant default. In December, 2011, the Lender required Frank Dubin and Frank Hockman to take personal mortgages on their homes and loan the money to the company. \$750,000.00 was then infused into the company in December 2011. At that point in time, the Lender expected Dubin to maintain a positive balance moving forward. When Dubin still failed to maintain a positive balance, the Lender extended a \$250,000.00 temporary overdraft line of credit to Dubin. At this time and despite several cash infusions, Dubin could not maintain a positive balance, continuously overdrew its accounts and bounced checks with the Lender and could not work through its debilitating cash flow issues.

Although the forgoing expenses and lender issues were significant factors in the Dubin closing, a perfect storm occurred on and around the week of Good Friday with the imminent strike by Local 107 and the salesmen's intent to abandon because of lack of inventory.

Attorneys for Dubin have spoken to representatives of the Lender along with both local Unions on many occasions about the state of the company and its cash flow issues as well as the significant losses suffered and high aging receivables with little hope of

Dorothy L. Moor-Duncan (Regional Director)
July 26, 2012
Page 3 of 3

collection. Upon information and belief, both local Unions are now well aware of the Lender's default of Dubin. Upon information and belief, both local Unions are now aware that the Lender required Frank Dubin and Frank Hockman to assist it in the orderly liquidation of Dubin Assets. Finally, neither Frank Hockman nor Frank Dubin are currently employed in the industry except as liquidators of the Dubin Assets.

As Dubin is no longer operating, does not have funds with which to pay its debts and does not have a hope of reopening, the Union's request for Injunctive relief appears slightly misguided and inappropriate. There is no operation to enjoin pursuant to Section 10(j) of the Act.

Kindest regards,



Albert A. Ciardi, III

AACIII/amg
Enclosure

cc: Richard Wainstein, Esquire (w/enclosure)
Peter C. Verrochi, Esquire, (w/enclosure,)
Michael Katz, Esquire (w/enclosure)
Frank Hockman (w/o enclosure)



UNITED STATES GOVERNMENT
NATIONAL LABOR RELATIONS BOARD
REGION 4
615 CHESTNUT ST
STE 710
PHILADELPHIA, PA 19106-4413

Agency Website: www.nlrb.gov
Telephone: (215)597-7601
Fax: (215)597-7658

July 24, 2012

FRANK HOCKMAN
DUBIN PAPER COMPANY, FRANK HOCKMAN
AND FRANK DUBIN, JOINT AND SEVERALLY
1910 S COLUMBUS BLVD
PHILADELPHIA, PA 19148-2820

Re: Dubin Paper Company
Case 04-CA-079713

Dear Mr. HOCKMAN:

Enclosed is a copy of the second amended charge that has been filed in this case.

Investigator: This charge is being investigated by Field Attorney PETER C. VERROCHI whose telephone number is (215) 597-7640. If the agent is not available, you may contact Supervisory Attorney RICHARD WAINSTEIN whose telephone number is (215) 597-7636.

Presentation of Your Evidence: As you know, we seek prompt resolutions of labor disputes. Therefore, I urge you or your representative to submit a complete written account of the facts and a statement of your position with respect to the allegations in the second amended charge as soon as possible. If the Board agent later asks for more evidence, I strongly urge you or your representative to cooperate fully by promptly presenting all evidence relevant to the investigation. In this way, the case can be fully investigated more quickly.

Procedures: Your right to representation, the means of presenting evidence, and a description of our procedures, including how to submit documents, was described in the letter sent to you with the original charge in this matter. If you have any questions, please contact the Board agent.

Very truly yours,

DOROTHY L. MOORE-DUNCAN
Regional Director

Enclosure: Copy of second amended charge

cc: JENNIFER C. MCENTEE, ESQ.
2005 MARKET ST
STE 1930
PHILADELPHIA, PA 19103-7011

UNITED STATES OF AMERICA
NATIONAL LABOR RELATIONS BOARD
CHARGE AGAINST EMPLOYER

FORM EXEMPT UNDER 44 U.S.C. 3512

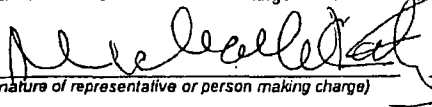
DO NOT WRITE IN THIS SPACE

Case
04-CA-079713

Date Filed
7/23/12

INSTRUCTIONS:

File an original with NLRB Regional Director for the region in which the alleged unfair labor practice occurred or is occurring.

1. EMPLOYER AGAINST WHOM CHARGE IS BROUGHT			
a. Name of Employer Dubin Paper Company, Frank Hockman and Frank Dubin, joint and severally		b. Tel. No. 215-462-7900	
		c. Cell No.	
d. Address (Street, city, state, and ZIP code) 1910 S. Columbus Blvd. Philadelphia, PA 19148		f. Fax No. 215-463-0210	
e. Employer Representative Frank Hockman		g. e-Mail	
		h. Number of workers employed 11	
i. Type of Establishment (factory, mine, wholesaler, etc.) Warehouse		j. Identify principal product or service Paper Products	
k. The above-named employer has engaged in and is engaging in unfair labor practices within the meaning of section 8(a), subsections (1) and (list subsections) 5 of the National Labor Relations Act, and these unfair labor practices are practices affecting commerce within the meaning of the Act, or these unfair labor practices are unfair practices affecting commerce within the meaning of the Act and the Postal Reorganization Act.			
2. Basis of the Charge (set forth a clear and concise statement of the facts constituting the alleged unfair labor practices) See attached.			
3. Full name of party filing charge (if labor organization, give full name, including local name and number) Warehouse Employees Union Local 169			
4a. Address (Street and number, city, state, and ZIP code) 1363 W. Cheltenham Avenue Elkins Park, PA 19027		4b. Tel. No. (215) 635-1696	
		4c. Cell No.	
		4d. Fax No. (215) 635-2441	
		4e. e-Mail	
5. Full name of national or international labor organization of which it is an affiliate or constituent unit (to be filled in when charge is filed by a labor organization) International Brotherhood of Teamsters			
6. DECLARATION I declare that I have read the above charge and that the statements are true to the best of my knowledge and belief.		Tel. No. 215-546-4183	
By  Michael N. Katz, Esquire (signature of representative or person making charge) (Print/type name and title or office, if any)		Office, if any, Cell No.	
		Fax No. 215-790-1382	
		e-Mail	
121 S. Broad Street, 13th Fl., Philadelphia, PA 19106 Address		07-23-12 (date)	

WILLFUL FALSE STATEMENTS ON THIS CHARGE CAN BE PUNISHED BY FINE AND IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001)

PRIVACY ACT STATEMENT

Solicitation of the information on this form is authorized by the National Labor Relations Act (NLRA), 29 U.S.C. § 151 et seq. The principal use of the information is to assist the National Labor Relations Board (NLRB) in processing unfair labor practice and related proceedings or litigation. The routine uses for the information are fully set forth in the Federal Register, 71 Fed. Reg. 74942-43 (Dec. 13, 2006). The NLRB will further explain these uses upon request. Disclosure of this information to the NLRB is voluntary; however, failure to supply the information will cause the NLRB to decline to invoke its processes.

Basis of the Charge:

Charging Party is the recognized bargaining representative for Respondent's Warehouse Employees. Respondent has violated its obligations under Section (8)(a)(5) of the Act by engaging in the following:

1. Within the six month period prior to the filing of the Charge herein, Respondent laid off bargaining unit employees and utilized non-bargaining unit personnel to perform warehouse and shipping work normally performed by the bargaining unit. Respondent so acted unilaterally and without engaging in bargaining with the Charging Party concerning the decision to lay off employees and to have bargaining unit work performed by non-bargaining unit personnel. Respondent's actions constituted a unilateral change in terms and conditions of employment.
2. Within the six month period prior to the filing of the Charges herein, Respondents have unilaterally altered terms and conditions of employment by failing and refusing to pay required Health and Welfare and Pension Fringe Benefit Contributions. Respondents have so acted unilaterally without engaging in negotiations with the Charging Party.
3. Respondent has failed and refused to provide Charging Party with information requested in its letter of April 18, 2012 in which relevant information was sought for purposes of bargaining over the decision to lay off employees and the effects of such lay offs and the closure of the company's business. Respondents have further failed and refused to provide information relevant to Charging Party's investigation of Dubin Paper's failure to pay required Pension and Health and Welfare Contributions. Respondents have further failed and refused to provide information concerning the volume and value of its inventory requested by the Charging Party in its email of June 3, 2012.

Respondents Frank Dubin and Frank Hockman are the sole shareholders, directors, and officers of the Respondent Corporation and ran the day to day operations including making the determinations of which Respondent's financial obligations to meet. Respondents Dubin and Hockman at all times were responsible for the Company's labor relations policies and adherence to the Collective Bargaining Agreement and were responsible for formulating and implementing labor relations and employment decisions.